



CMFO News

Certified Municipal Finance Officer

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Dear Certified Municipal Finance Officers,

I've heard it said a number of times that we live in interesting and challenging times. That statement certainly applies to government accounting and finance. Every day some new law or new accounting standard crosses my desk. It was for this reason the Division of Local Government Audit, in coordination with Municipal Technical Advisory Service, (MTAS) sought to establish a program to help local governments train and recruit qualified personnel. The field of local government accounting and finance is very different from accounting and finance in the business world. We need people specifically trained in governmental issues. The program developed by MTAS to train CMFOs is an in-depth course which does just that.



I am very proud of all of you who have taken on the challenge to become a CMFO. I am equally proud that Tennessee has a program like the CMFO program. Few states do. The program has been a resounding success. I believe we will see more and more benefits from the program as time goes by. Allow me to say thank you for your efforts in becoming a CMFO. I know it was not easy. And, allow me to make an important announcement.

We are starting a newsletter just for CMFOs. We hope you find it informative and helpful. Give us your feedback. Ask us questions. It is a newsletter about you and for you.

Jerry E. Durham
Assistant Director
Division of Local Government Audit
Comptroller of the Treasury

P.S. Don't forget about your Continuing Professional Education.



Penalty hours were assessed in June for individuals that have not completed their Continuing Professional Education, (CPE) for 2014. If you know that you did not complete 24 hours in 2014, please plan to obtain additional CPE hours during the 2015 year. Generally, penalty hours equal to the number of hours you did not complete in 2014. However, a final determination letter will be sent to you indicating the number of penalty hours in 2015. The penalty hours are in addition to the 2015 twenty-four-hour requirement.



SPOTLIGHT ON GOING INACTIVE

Any individual wishing to change from an active status to an inactive status will need to complete a form that will be filed in the CMFO account for that individual. To obtain a copy of the form, please email Yanna Utley at Yanna.Utley@cot.tn.gov.

UPCOMING MTAS TRAINING

Date	Class	Location
8/18/2015	Layman's Approach to The Regulations and Management of Waste Water Systems	Jackson
8/20/2015	National Flood Insurance Program Administrative and Legislative Training	Collegedale
8/24/2015	National Flood Insurance Program Administrative and Legislative Training	Kingsport
8/25/2015	Improving Communications: "It's not always their fault"	Franklin
8/26/2015	Improving Communications: "It's not always their fault"	Jackson
8/27/2015	National Flood Insurance Program Administrative and Legislative Training	Bartlett
8/28/2015	National Flood Insurance Program Administrative and Legislative Training	Jackson
8/31/2015	National Flood Insurance Program Administrative and Legislative Training	Franklin
9/22/2015	Reflective Practices in the Workplace	Jackson
9/23/2015	Reflective Practices in the Workplace	Franklin
9/29/2015	Municipal Court Clerk Class 2015	Smyrna
9/29/2015	Reflective Practices in the Workplace	Knoxville
10/7/2015	Cyber Security	Collegedale
10/8/2015	Cyber Security	Knoxville
10/13/2015	Cyber Security	Nashville
10/14/2015	Cyber Security	Jackson
10/14/2015	Roberts Rules of Order: Maximizing Your Meetings	Nashville
10/15/2015	Municipal Court Clerk Class 2015	Collegedale
10/15/2015	Roberts Rules of Order: Maximizing Your Meetings	Knoxville
10/16/2015	Municipal Court Clerk Class 2015	Cookeville
10/21/2015	Municipal Court Clerk Class 2015	Johnson City
10/22/2015	Municipal Court Clerk Class 2015	Knoxville
10/28/2015	IT Security Warrior	Collegedale
10/29/2015	IT Security Warrior	Knoxville

Registration questions? Contact **Doug Brown**, Administrative Specialist II at 865.974.9140, **Patrick Mills**, Administrative Specialist II at 865.974.0413, or **Michelle Buckner**, Administrative Specialist II at 865.974.9851

Technical Section—Pensions

The auditors for local governments who participate in TCRS will be auditing “census” data related to the pension system. Local Governments were sent an email in April 2015 detailing this matter. Municipalities should begin accumulating or identifying how the census data can be obtained. Please note: The necessary census data is for the fiscal year July 1, 2013, to June 30, 2014.

This information includes:

- Name and Social Security Number (or other ID)
- Date of birth,
- Salary reported for the one-year period
- Service credit reported for the one-year period
- Retirement code

- Department code,
- Whether the member is male or female

Local governments who participate in a pension plan other than TCRS should have the plan documents available for the auditor to review. We have become aware of a number of plans that have not been audited because the local government did not think they were the administrator. However, after reviewing the plan documents, it was determined that the company “administering” the plan was acting as an agent of the local government, who was named as the administrator in the plan documents.

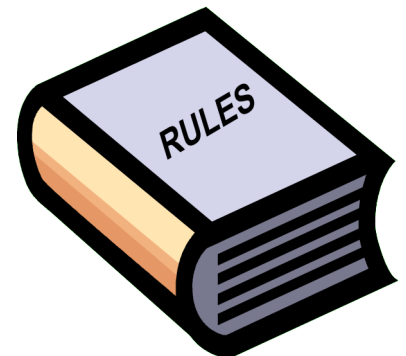
For pension questions, you may contact us at 615-401-7841.

Jerry Durham at Jerry.Durham@cot.tn.gov;
Rachelle Cabading at Rachelle.Cabading@cot.tn.gov or
Iris Haby at Iris.Haby@cot.tn.gov.

*Municipalities should
begin accumulating or
identifying how the
census data can be
obtained.*

Policies and Procedures Status

The draft policies and procedures are under review and should be posted to the web soon. The web location will be posted under a new link on the left side of the page “CMFO Policies and Procedures” at https://www.comptroller.tn.gov/RA_Upload/CMFOWelcome.aspx.





MANUAL UPDATES

AUDIT MANUAL and THE GREEN BOOK

The Comptroller has issued a manual for many years known as the “Audit Manual.” This manual has typically applied predominantly to CPAs. Beginning with the June 30, 2015, update, the manual will apply to all local governments and other organizations that contract for an audit through Local Government Audit or submit a regulatory report to Local Government Audit.

The Audit Manual’s subtitle has been changed to reflect the broader scope. The City and Utility District Internal Control and Compliance manuals are being phased out and will be replaced with an internal control manual based on principles in a federal document known as “the GAO Green Book.”

Please visit the Comptroller’s web site (<http://www.comptroller.tn.gov/la/manual.asp>) to access the Audit Manual. The new Internal Control manual should be available later this year.



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Financial and Compliance Audits

The division audits 89 county governments related component units, two special school districts, and one landfill. Certified public accountants audit the remaining six counties under contracts approved by this office.

The audit staff are divided into four geographical areas with a regional office in each area: West (Jackson), Middle (Nashville), Mid-East (Cookeville), and East (Knoxville). An audit manager is responsible for audit planning and supervising in each area. The division director is in charge of financial and compliance audits and supervises the audit managers, who assign audits to auditors who work as a team under the manager's supervision. In addition, the audit managers plan and direct special audits and assignments.

Contract Audits and Research and Review

This division ensures that municipalities, schools, utility districts, housing authorities, joint ventures created by local governments, other quasi-governmental organizations, and other government-funded agencies are audited as required by state statute. Because the majority of these audits are performed by public accounting firms, the division carries out its responsibilities by approving all audit contracts and systematically reviewing all audit reports and selected audit working papers of contractors for compliance with generally accepted government auditing standards, reporting requirements and state and federal statutes.